



4004

ANNUAL REPORT

OF

Name: BAYLAND TELEPHONE, INC.

Principal Office: 2710 HWYS 41 & 141
P.O. BOX 200
ABRAMS, WI 54101-0200

For the Year Ended: DECEMBER 31, 1998

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
CO	.....	Central Office
Depr	.....	Depreciation
Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
FOY	.....	First of Year
Info	.....	Information
ITC	.....	Investment Tax Credit
Misc	.....	Miscellaneous
Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
Prop	.....	Property
Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
Svcs	.....	Services
Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: BAYLAND TELEPHONE, INC.
Utility Location: 2710 HWYS 41 & 141
P.O. BOX 200
ABRAMS, WI 54101-0200

Utility Web Site Address:

When was utility organized?: 01/01/1907

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR ROGER L. HERMSEN
Title: VICE PRESIDENT AND GENERAL MANAGER

Office Address: 2710 U.S. HWY. 41 & 141
ABRAMS, WI 54101

Fax Number: (920) 826 - 5911
Telephone Number: (920) 826 - 5215
Email Address:

Individual or firm, if other than utility employee, preparing this report

Name: MR. DENNIS E. HILDEBRANDT
Title: CERTIFIED PUBLIC ACCOUNTANT
Firm: SIEPERT & CO. LLP
Office Address: 1920 WEST HART ROAD
BELOIT, WI 53511

Fax Number: (608) 364 - 8727
Telephone Number: (608) 365 - 2266
Email Address: Siepert@elknet.net

Person responsible for financial information contained in report

Name: MR. ROGER L. HERMSEN
Title: VICE PRESIDENT AND GENERAL MANAGER
Office Address: 2710 U.S. HWY. 41 & 141
ABRAMS, WI 54101

Fax Number: (920) 826 - 5911
Telephone Number: (920) 826 - 5215
Email Address:

Person responsible for statistical information contained in report

Name: MR ROGER L. HERMSEN
Title: VICE PRESIDENT AND GENERAL MANAGER
Office Address: 2710 U.S. HWYS. 41 & 141
P.O. BOX 200
ABRAMS, WI 54101
Fax Number: (920) 826 - 5911
Telephone Number: (920) 826 - 5215
Email Address:

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: CHRISTINE C. FRENCH
Address: 3517 BARKWOOD LANE
MANITOWOC, WI 54220

Number of Shares Held: 561
Beneficial Owner: NONE

Name: DONALD & RUTH LE BRECK
Address: 1122 BIEMERET STREET
GREEN BAY, WI 54304-3314

Number of Shares Held: 468
Beneficial Owner: NONE

Name: HELEN L. HERMSEN
Address: 1027 BIEMERET STREET
GREEN BAY, WI 54304-3473

Number of Shares Held: 468
Beneficial Owner: NONE

Name: J. ROGER HERSMEN
Address: 921C WINDFIELD PLACE
APPLETON, WI 54911

Number of Shares Held: 468
Beneficial Owner: NONE

Name: JEAN J. HERMSEN
Address: 2832B MADISON STREET
WAUKESHA, WI 53188-4507

Number of Shares Held: 408
Beneficial Owner: NONE

Name: PATRICK & MARY ANDERSON
Address: 3502 E. BOTTSFORD AVE.
CUDAHY, WI 53110-1134

Number of Shares Held: 450
Beneficial Owner: NONE

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: PAUL G. HERMSEN
Address: 622 SARATOGA DRIVE
GREEN BAY, WI 54303-4438

Number of Shares Held: 561
Beneficial Owner: NONE

Name: ROGER L. HERMSEN
Address: 2853 TIMBER LANE
GREEN BAY, WI 54313

Number of Shares Held: 561
Beneficial Owner: NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	1,500,301	1,427,056	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	234,579	225,055	2
Plant Nonspecific Operations Expense	456,869	422,851	3
Customer Operations Expense (6610-6620)	300,117	277,358	4
Corporate Operations Expense (6710-6790)	221,343	224,824	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	114,210	103,398	7
Total Operating Expenses	1,327,118	1,253,486	8
Net Operating Income	173,183	173,570	9
Other Income			
Nonoperating Income and Expense (7300)	306,048	395,803	10
Nonoperating Taxes (7400)	48,232	209,520	11
Interest and Related Items (7500)	135,654	142,449	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	51,200	13,254	14
Total Nonoperating Income	173,362	57,088	15
Net Income	346,545	230,658	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

1. SIGNIFICANT ACCOUNTING POLICIES:

A. TELEPHONE PLANT IS RECORDED AT ORIGINAL COST. DEPRECIATION IS COMPUTED ON STRAIGHT-LINE BASIS BY APPLYING A RATE TO GROUP ACCOUNT ASSETS FOR BOOK AND TAX PURPOSES.

B. THE COMPANY HAS ELECTED TO DEFER INCOME TAX SAVINGS EARNED BY INVESTMENT TAX CREDIT AND IS AMORTIZING THESE SAVINGS OVER THE SERVICE LIFE OF THE ASSETS ON WHICH THE ITC WAS GENERATED. DEFERRED INCOME TAXES HAVE BEEN RECORDED ON ALL TEMPORARY TIMING DIFFERENCES.

C. THE COMPANY HAS DEFINED CONTRIBUTION PENSION PLAN WHICH IS ADMINISTERED BY A TRUSTEE AND COVERS ALL ELIGIBLE EMPLOYEES. PENSION PLAN EXPENSE FOR 1998 AMOUNTS TO \$45,658.

D. IN GENERAL, REVENUES ARE RECOGNIZED WHEN EARNED REGARDLESS OF WHEN ACTUALLY RECEIVED.

2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.
-

3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	252,063	209,959	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	252,063	209,959	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	36,611	41,120	6
Accounts Receivable Allowance-Telecom (1181)*			7
Net: Telecommunications Accounts Receivable	36,611	41,120	
Other Accounts Receivable (1190)*	105,054	126,038	8
Accounts Receivable Allowance--Other (1191)*			9
Net: Other Accounts Receivable	105,054	126,038	
Notes Receivable (1200)*	204,510	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	204,510	0	
Interest and Dividends Receivable (1210)*	2,181	240	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	348,356	167,398	
SUPPLIES			
Inventories (1220)*	12,550	19,272	13
TOTAL SUPPLIES	12,550	19,272	
PREPAYMENTS			
Total Prepayments (1280)*	11,425	9,939	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	11,425	9,939	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*			20
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	624,394	406,568	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	2,000	0	21
Investments in Nonaffiliated Companies (1402)*	5,300	5,300	22
Nonregulated Investments (1406)*	40,600	36,555	23
Unamortized Debt Issuance Expense (1407)*	563	610	24
Sinking Funds (1408)*	0	0	25

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	1,429,876	1,234,272	26
TOTAL INVESTMENTS	1,478,339	1,276,737	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	34,868	35,354	29
TOTAL DEFERRED CHARGES	34,868	35,354	
TOTAL NONCURRENT ASSETS	1,513,207	1,312,091	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	5,771,247	5,437,150	30
Less: Accumulated Depreciation (3100)*	2,867,962	2,480,670	31
Less: Accumulated Amortization--Capitalized Leases (3410)*			32
Less: Accumulated Amortization--Leasehold Improvements (3420)*			33
Less: Accumulated Amortization--Intangible (3500)*			34
NET TELECOMMUNICATIONS PLANT IN SERVICE	2,903,285	2,956,480	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*			35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*			36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*			37
Less: Accumulated Depreciation--Nonoperating (3300)*			38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	6,159	7,200	39
TOTAL TPUC	6,159	7,200	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*			40
Less: Accumulated Amortization--Other (3600)*			41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	2,909,444	2,963,680	
TOTAL ASSETS AND OTHER DEBITS*	5,047,045	4,682,339	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	60,186	24,958	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*			3
Customer Deposits (4040)*	400	400	4
Current Maturities--Long-Term Debt (4050)*	0	0	5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*	(16,729)	35,538	7
Other Taxes--Accrued (4080)*	(12,387)	(13,541)	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*	24,707	22,020	11
Other Current Liabilities (4130)*			12
TOTAL CURRENT LIABILITIES*	56,177	69,375	
LONG-TERM DEBT			
Funded Debt (4210)*	2,876,441	3,008,624	13
Premium on Long-Term Debt (4220)*			14
Discount on Long-Term Debt (4230)*			15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*			17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	200,000	0	19
TOTAL LONG-TERM DEBT*	3,076,441	3,008,624	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*			20
Unamortized Operating ITC--Net (4320)*	15,132	19,514	21
Unamortized Nonoperating ITC--Net (4330)*			22
Net Noncurrent Deferred Operating Income Taxes (4340)*	(3,818)	(5,300)	23
Net Deferred Tax Liability Adjustments (4341)*	0	0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(23,924)	(24,035)	25
Other Deferred Credits (4360)*			26
Deferred Tax Regulatory Liability (4361)*	12,972	12,972	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	362	3,151	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	229,950	229,950	28
Additional Paid-in Capital (4520)*			29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	(3,488)	(3,808)	31
Retained Earnings (4550)*	1,687,603	1,375,047	32
TOTAL STOCKHOLDERS' EQUITY*	1,914,065	1,601,189	
TOTAL LIABILITIES AND OTHER CREDITS*	5,047,045	4,682,339	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	351,343	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	408,438	2
Interest during construction	0	3
Changes in assets and liabilities:		
Current assets (net)	(175,722)	4
Other noncurrent assets	(195,165)	5
Other current liabilities	(13,198)	6
Other liabilities and deferred credits	(2,789)	7
Other (specify):		
TOTAL ADJUSTMENTS	21,564	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	372,907	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(354,202)	8
Investments in affiliated companies	(2,000)	9
Nonoperating Investments	(4,045)	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(360,247)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	67,911	12
Net changes in stockholder equity other than retained earnings	320	13
Change in short term borrowing (net)	0	14
Dividends paid	(38,786)	15
Miscellaneous debits/credits to retained earnings	(1)	16
Other (specify):		
Net Cash Provided by Financing Activities	29,444	
NET INCREASE IN CASH AND CASH EQUIVALENTS	42,104	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

IMPORTANT CHANGES DURING THE YEAR

1. Give the name and address of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

NONE

2. Give the name and address of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

NONE

3. Important leaseholds acquired, given, assigned or surrendered, giving effective dates, lengths of terms, names of parties, rents, and other conditions.

NONE

4. List extension of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone system, exchange or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, the consideration given, and reference to Commission authorization.

NONE

5. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

NONE

6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue.

NONE

7. Changes in articles of incorporation or amendments to charter.

NONE

8. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

NONE

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
BAYLAND COMMUNICATIONS, INC.	BAYCOM	1
BAYNET, INC.	BAYNET	2

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars	(a)	(b)	(c)	(d)	(e)	
Docket		0387-NC-000100	7147-TI-000100			
Name of Affiliate		BAYCOM	BAYNET			1
Designate whether billed to or from:		TO	TO			2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)		C	C			3
Revenues						4
Expenses:						
Plant Specific Operations Expense						5
Plant Nonspecific Operations Expense						6
Customer Operations Expense						7
Corporate Operations Expense						8
Total Operating Expenses		0	0	0	0	9
Other:						
Plant Accounts						10
Accumulated Depreciation						11
Accumulated Amortization						12
Clearing						13
All Other		1,300	219			14
Total		1,300	219	0	0	15
Percent of affiliate's business billed to all affiliated regulated utilities						16
If cost based, rate of return on equity or markup incorporated in billings						17
Footnotes		F,K	F			

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 4010, Accounts Payable; and 4260, Advances from Affiliated Companies. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "other" for a particular account. Affiliated amounts recorded in accounts 1200, Notes Receivable, 1408, Sinking Funds, and 4020, Notes Payable, should not be reported in this schedule, but rather in the respective schedules contained elsewhere in this report.

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
BAYLAND COMMUNICATIONS, INC.	1190	22,275	1
BAYNET, INC.	1190	(546)	2
BAYLAND COMMUNICATIONS, INC.	1401	1,000	3
BAYNET, INC.	1401	1,000	4

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

This schedule should be used to report accounts receivable net write off activity.

Particulars (a)	Amount (b)	
Collection of amounts previously written off	2,733	1
Uncollectibles written off during the year	3,042	2
Net write offs during the year	309	

NOTES RECEIVABLE (ACCT. 1200) AND ALLOWANCES (ACCT. 1201)

For affiliates, list by issue or note by affiliate. Other, list by issue or note by entity. Separately identify economic development loans and associated particulars.

Name of Maker and purpose (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Amount EOY (e)	Allowance Acct. 1201 (f)	
From Affiliates:						
BAYCOM	09/17/1998	09/17/2003	6.9500	204,510		1 J
Total Affiliated				204,510	0	
Total				204,510	0	

INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	5,300	1
Other:		
Total Investments in Nonaffiliated Companies	5,300	

NONREGULATED INVESTMENTS (ACCT. 1406)

Report below the name and end-of-year balance of total net investment and inventory (accts. 1406.10, 1406.11 and 1406.12) for each nonregulated activity. Telephone utilities not subject to dual jurisdiction should report materials and supplies held for resale in account 1406.

Name (a)	Balance EOY (b)	
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
INVENTORY FOR RESALE	19,019	1
INTERNET EQUIPMENT, NET	15,834	2
VOICE MAIL EQUIPMENT, NET	5,747	3
PUBLIC TELEPHONE EQUIPMENT, NET	0	4

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

List items individually by Commission approval noting the date of approval.

Description of Item (a)	Balance EOY (b)
NONE	
Total	0

1

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	8,946	24,800	1
Motor Vehicles	2112	104,816	40,426	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	27,003	6,445	6
Buildings	2121	245,034	15,261	7
Furniture	2122	16,848		8
Office Equipment	2123	27,618	4,382	9
General Purpose Computers	2124	78,122	19,609	10
TOTAL--GENERAL SUPPORT ASSETS:		508,387	110,923	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	1,498,107	60,820	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	507,376	17,956	16
TOTAL--CENTRAL OFFICE ASSETS:		2,005,483	78,776	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		0	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	0		22
Aerial Cable	2421	0	0	23
Underground Cable	2422	0	0	24
Buried Cable	2423	2,923,280	165,264	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	0		29
Conduit Systems	2441	0		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		2,923,280	165,264	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			33,746	1
2112	5,304		139,938	2
2113			0	3
2114			0	4
2115			0	5
2116			33,448	6
2121			260,295	7
2122			16,848	8
2123	0	0	32,000	9
2124			97,731	10
	5,304	0	614,006	
2211			0	11
2212	5,718	0	1,553,209	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	0	525,332	16
	5,718	0	2,078,541	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			0	21
	0	0	0	
2411			0	22
2421	0	0	0	23
2422	0	0	0	24
2423	9,844	0	3,078,700	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			0	30
	9,844	0	3,078,700	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	5,437,150	354,963
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	20,866	0	5,771,247	
2001			0	34
			5,771,247	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	11,807	4,382	1
Company Communications Equipment	2123.2	15,811		2
Software	2212.1	0		3
Digital Switching - Central Office	2212.2	1,438,403	60,820	4
Digital Switching - Remote	2212.3	59,704		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	417,039	17,956	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	90,337		12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	0		14
Underground Cable - Nonmetallic	2422.1	0		15
Underground Cable - Metallic	2422.2	0		16
Buried Cable - Nonmetallic	2423.1	278,496	886	17
Buried Cable - Metallic	2423.2	2,644,784	164,378	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1			16,189	1
2123.2			15,811	2
2212.1			0	3
2212.2	5,718		1,493,505	4
2212.3			59,704	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			434,995	10
2232.2			0	11
2232.3			90,337	12
2421.1			0	13
2421.2			0	14
2422.1			0	15
2422.2			0	16
2423.1			279,382	17
2423.2	9,844		2,799,318	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	79,002	14.52	17,770		1
Aircraft	2113	0				2
Special Purpose Vehicles	2114	0				3
Garage Work Equipment	2115	0				4
Other Work Equipment	2116	26,946	10.0	2,295		5
Buildings	2121	114,341	2.95	7,454		6
Furniture	2122	9,234	10.0	664		7
Office Equipment	2123	21,493	20.0	414		8
General Purpose Computers	2124	54,014	25.0	22,022		9
Total-- GENERAL SUPPORT ASSETS		305,030		50,619		0
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0				10
Digital Electronic Switching	2212	680,908	9.7	147,989		11
Electro-Mechanical Switching	2215	0				12
Operator Systems	2220	0				13
Radio Systems	2231	0				14
Circuit Equipment	2232	364,884	11.6	59,897		15
Total-- CENTRAL OFFICE ASSETS		1,045,792		207,886		0
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	0				16
Customer Premises Wiring	2321	0				17
Large Private Branch Exchanges	2341	0				18
Public Telephone Terminal Equipment	2351	0				19
Other Terminal Equipment	2362	0				20
Total-- INFORMATION ORIG/TERM ASSETS		0		0		0
CABLE WIRE FACILITIES ASSETS						
Poles	2411	0				21
Aerial Cable	2421	0				22
Underground Cable	2422	0				23
Buried Cable	2423	1,129,848	5.0	149,933		24
Submarine Cable	2424	0				25
Deep Sea Cable	2425	0				26
Intrabuilding Network Cable	2426	0				27
Aerial Wire	2431	0				28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	0			29
Total-- CABLE WIRE FACILITIES ASSETS		1,129,848		149,933	0
Total Accumulated Depreciation	3100	2,480,670		408,438	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100					
Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	5,304		450		91,918	1
2113					0	2
2114					0	3
2115					0	4
2116					29,241	5
2121					121,795	6
2122					9,898	7
2123	0				21,907	8
2124					76,036	9
	5,304	0	450	0	350,795	
2211					0	10
2212	5,718				823,179	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0				424,781	15
	5,718	0	0	0	1,247,960	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					0	20
	0	0	0	0	0	
2411					0	21
2421	0				0	22
2422	0				0	23
2423	9,844	730			1,269,207	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					0	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					0	29
	9,844	730	0	0	1,269,207	
3100	20,866	730	450	0	2,867,962	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
Office Support Equipment	2123.1	11,345			1
Company Communications Equipment	2123.2	10,148	20.0	414	2
Software	2212.1	0			3
Digital Switching - Central Office	2212.2	667,699	9.7	142,198	4
Digital Switching - Remote	2212.3	13,209	9.7	5,791	5
Step by Step Switching	2215.1	0			6
Crossbar Switching	2215.2	0			7
Satellite and Earth Station Facilities	2231.1	0			8
Other Radio Facilities	2231.2	0			9
Digital Circuit Equipment	2232.1	333,024	11.6	49,418	10
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	31,860	11.6	10,479	12
Aerial Cable - Nonmetallic	2421.1	0			13
Aerial Cable - Metallic	2421.2	0			14
Underground Cable - Nonmetallic	2422.1	0			15
Underground Cable - Metallic	2422.2	0			16
Buried Cable - Nonmetallic	2423.1	33,042	5.0	13,935	17
Buried Cable - Metallic	2423.2	1,096,806	5.0	135,998	18
Submarine Cable - Nonmetallic	2424.1	0			19
Submarine Cable - Metallic	2424.2	0			20
Intrabuilding Cable - Nonmetallic	2426.1	0			21
Intrabuilding Cable - Metallic	2426.2	0			22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1					11,345	1
2123.2					10,562	2
2212.1					0	3
2212.2	5,718				804,179	4
2212.3					19,000	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					382,442	10
2232.2					0	11
2232.3					42,339	12
2421.1					0	13
2421.2					0	14
2422.1					0	15
2422.2					0	16
2423.1					46,977	17
2423.2	9,844	730			1,222,230	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)

This schedule should be used to report the deferred operating income tax portion of the stated accounts. In addition, column (e) of this schedule should be used to report the flowback of property related excess deferred taxes (e.g., 46 percent versus 34 percent federal tax rates). Credit amounts should be shown in ().

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	0	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	6,635	5
Net Deferred Tax Liability Adjustments (4341)	0	6
Deferred Tax Regulatory Liability (4361)	(12,710)	7
Net Property Related Deferred Operating Income Taxes	(6,075)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(6,075)	
NONPROPERTY RELATED		
Other Current Assets (1350)	0	9
Other Noncurrent Assets (1410)	0	10
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	(1,335)	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	(262)	15
Total Nonproperty Related Deferred Operating Income Taxes	(1,597)	

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361) (cont.)

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250				0	1
7250				0	2
				0	3
7250				0	4
7250		1,482		5,153	5
				0	6
				(12,710)	7
	0	1,482	0	(7,557)	
				0	8
	0	1,482	0	(7,557)	
7250				0	9
7250				0	10
				0	11
7250				0	12
7250				(1,335)	13
				0	14
				(262)	15
	0	0	0	(1,597)	

NOTES PAYABLE (ACCT. 4020)

For affiliate, list note by affiliate. For a particular affiliate, the identical affiliate name, as shown in the Affiliate Abbreviations schedule, should be reported in this schedule. For other, list by note by entity.

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)
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NONE

Total Notes Payable	<u><u>0</u></u>	1
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LONG-TERM DEBT

Report data requested and show total for each long-term debt account at end of year. Information concerning the following debt issues may be reported on individual lines in aggregate: REA/RTB 2%, REA/RTB 5%, & REA/RTB 7%. In addition, REA/RTB and FFB debt, respectively, within a range of 200 basis points may also be reported in aggregate on individual lines. If reported in aggregate, a range of dates may be reported in columns (b) and (c) as well as a range of interest rates in column (d) and a composite interest rate in column (e). If aggregation is not utilized, column (e) should contain the same interest rate as reported in column (d). For account 4050 report only the amount of debt anticipated to be repaid in one year or less.

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
RTB Mortgage Notes	01/31/1976	03/13/2011	7.5000	1
RUS Mortgage Notes	02/14/1973	02/14/2008	2.0000	2
RUS Mortgage Notes	03/13/1982	03/13/2017	5.0000	3
RUS Mortgage Notes	09/20/1993	09/20/2015	5.0000	4
Total Funded Debt				
Other Long-Term Debt (Acct. 4270):				
RFTC NOTE PAYABLE	05/22/1997	05/22/1999	6.7000	5
Total Other Long-Term Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
7.5000			80,264		80,264	1
2.0000			445,595		445,595	2
5.0000			859,583		859,583	3
5.0000			1,490,999		1,490,999	4
	0	0	2,876,441	0	2,876,441	
6.7000			200,000		200,000	5
	0	0	200,000	0	200,000	

CAPITAL STOCK ACCOUNTS AT END OF YEAR

In column (a) indicate the stated dividend rate applicable to each series of preferred stock.

Class and Series (a)	Shares Authorized by Charter (b)	Par Value per Share (c)	Call Price End of Year (d)
COMMON STOCK:			
Common Stock	20,000	50.00	1
TOTAL COMMON STOCK	20,000		
TOTAL	<u>20,000</u>		

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares	Amount	Shares	Amount	
	(e)	(f)	(g)	(h)	
<hr/>					
COMMON STOCK:					
Common Stock	4,599	229,950			1
	4,599	229,950	0	0	
<hr/>					
TOTAL	4,599	229,950	0	0	
	<u>4,599</u>	<u>229,950</u>	<u>0</u>	<u>0</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	1,375,047	1,176,330	1
Changes:			
Balance Transferred from Income	351,343	230,658	2
Dividends Declared:			
Common	38,786	31,941	3
Preferred			4
Total Dividends Declared	38,786	31,941	
Miscellaneous Debits to Retained Earnings	1		5
Miscellaneous Credits to Retained Earnings			6
Balance--End of Year	<u>1,687,603</u>	<u>1,375,047</u>	

DISTRIBUTION OF TAXES

1. Report hereunder the summary accounts and functions charged with taxes accrued during the year.
2. Where allocation is necessary, explain the basis used.
3. Report in a footnote the amounts and kind of taxes cleared from prepaid taxes, if any.

Summary Account/ Function Charged (a)	Wisconsin License Fee (b)	Wisconsin Income Tax (c)	Federal Income Tax (d)	
Operating Taxes (Accts. 7210 - 7250)	86,423	5,367	20,568	1
Nonoperating Taxes (Accts. 7410 - 7450)		10,691	37,541	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		7,174	27,612	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	86,423	23,232	85,721	

DISTRIBUTION OF TAXES (cont.)

PSC Remainder Assessment (e)	Local Property Tax (f)	State & Local Taxes Other than Wisconsin (g)	Other Taxes (h)	Payroll Taxes (i)	Total (j)	
1,827			25		114,210	1
					48,232	2
					0	3
					34,786	4
					0	5
					0	6
				31,844	31,844	7
				972	972	8
				664	664	9
<u>1,827</u>	<u>0</u>	<u>0</u>	<u>25</u>	<u>33,480</u>	<u>230,708</u>	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	565,774	522,896	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	565,774	522,896	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	86,308	79,058	11
Switched Access Revenue (5082)*	374,381	355,027	12
Special Access Revenue (5083)*			13
TOTAL INTERSTATE ACCESS REVENUES (5080)	460,689	434,085	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*			14
Switched Access Revenue (5084.2)*	340,885	334,891	15
Special Access Revenue (5084.3)*			16
TOTAL INTRASTATE ACCESS REVENUES (5084)	340,885	334,891	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*			17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	37,718	38,368	30
Rent Revenue (5240)*			31
Corporate Operations Revenue (5250)*			32
Miscellaneous:			
Miscellaneous Revenue (5260)*	11,477	5,296	33 A
Special Billing Arrangements Revenue (5261)			34
Customer Operations Revenue (5262)			35
Plant Operations Revenue (5263)			36
Other Incidental Regulated Revenue (5264)			37
Other Revenue Settlements (5269)			38
Total Miscellaneous Revenue (5260)	11,477	5,296	
Interstate Billing and Collection Revenue*	13,000	15,965	39
Intrastate Billing and Collection Revenue*	71,067	84,140	40
Total Carrier Billing and Collection Revenue (5270)*	84,067	100,105	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	133,262	143,769	
GROSS OPERATING REVENUES	1,500,610	1,435,641	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	309	8,585	42 B
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	309	8,585	
TOTAL OPERATING REVENUES	1,500,301	1,427,056	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
PLANT SPECIFIC OPERATIONS EXPENSE				
Total Network Support Expense (6110)	0	0		1
Less: Nonregulated	0	0		2
Net Regulated	0	0	0	3
Total General Support Expense (6120)	17,814	22,692		4
Less: Nonregulated	0	0		5
Net Regulated	17,814	22,692	0	6
Total Central Office Switching Expense (6210)	79,584	74,333		7
Less: Nonregulated	0	0		8
Net Regulated	79,584	74,333	0	9
Total Operator Systems Expense (6220)	0	0		10
Less: Nonregulated	0	0		11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	7,299	8,230		13
Less: Nonregulated	0	0		14
Net Regulated	7,299	8,230	0	15
Total Information Orig. / Term. Expense (6310)	166	0		16
Less: Nonregulated	0	0		17
Net Regulated	166	0	0	18
Total Cable and Wire Fac. Expense (6410)	120,192	129,324		19
Less: Nonregulated	0	0		20
Net Regulated	120,192	129,324	0	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	225,055	234,579	0	
Less: Nonregulated	0	0	0	
Net Regulated	225,055	234,579	0	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	0	0	0	22
Less: Nonregulated	0	0		23
Net Regulated	0	0	0	24
Total Network Operations Expense (6530)	35,497	43,377		25
Less: Nonregulated	0	0		26 c
Net Regulated	35,497	43,377	0	27
Access Expense (6540)	0	2,655		28
Less: Nonregulated	0	0		29
Net Regulated	0	2,655	0	30
Total Depreciation and Amortization Expense (6560)	389,190	408,438		31
Less: Nonregulated	1,836	2,399		32
Net Regulated	387,354	406,039		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	424,687	454,470	0	
Less: Nonregulated	1,836	2,399	0	
Net Regulated	422,851	452,071	0	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110					1
					2
	0	0	0	0	3
6120			22,692		4
					5
	0	0	22,692	0	6
6210			74,333		7
					8
	0	0	74,333	0	9
6220					10
					11
	0	0	0	0	12
6230			8,230		13
					14
	0	0	8,230	0	15
6310					16
					17
	0	0	0	0	18
6410			129,324		19
					20
	0	0	129,324	0	21
	0	0	234,579	0	
	0	0	0	0	
	0	0	234,579	0	
6510	0	0	0	0	22
					23
	0		0	0	24
6530			43,377		25
					26 c
	0	0	43,377	0	27
6540			2,655		28
					29
	0	0	2,655	0	30
6560			408,438		31
			2,399		32
			406,039		33
	0	0	454,470	0	
	0	0	2,399	0	
	0	0	452,071	0	

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	33,152	17,785	34
Less: Nonregulated	0	0	35 D
Net Regulated	33,152	17,785	0 36
Total Services (6620)	244,206	282,332	37
Less: Nonregulated	0	0	38
Net Regulated	244,206	282,332	0 39
TOTAL CUSTOMER OPERATIONS EXPENSE	277,358	300,117	0
Less: Nonregulated	0	0	0
Net Regulated	277,358	300,117	0
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	63,623	61,810	40
Less: Nonregulated	0	0	41
Net Regulated	63,623	61,810	0 42
Total General and Administrative (6720)	161,201	159,533	43
Less: Nonregulated	0	0	44
Net Regulated	161,201	159,533	0 45
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated	0	0	47 E
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	224,824	221,343	0
Less: Nonregulated	0	0	0
Net Regulated	224,824	221,343	0
TOTAL EXPENSES	1,151,924	1,210,509	0
Less: Nonregulated	1,836	2,399	0
Net Regulated	1,150,088	1,208,110	0

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610			17,785		34
					35 D
	0	0	17,785	0	36
6620			282,332		37
					38
	0		282,332	0	39
	0	0	300,117	0	
	0	0	0	0	
	0	0	300,117	0	
6710			61,810		40
					41
	0		61,810	0	42
6720			159,533		43
					44
	0		159,533	0	45
6790					46
					47 E
			0		48
	0	0	221,343	0	
	0	0	0	0	
	0	0	221,343	0	
	0	0	1,210,509	0	
	0	0	2,399	0	
	0	0	1,208,110	0	

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)	0	0		1
Provisioning Expense (6512)	0	0		2
Total: Reported in Account 6510	0	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	389,190	408,438		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)	0	0		4
Amortization Expense--Tangible (6563)	0	0		5
Amortization Expense--Intangible (6564)	0	0		6
Amortization Expense--Other (6565)	0	0		7
Total: Reported in Account 6560	389,190	408,438		

EXPENSE MATRIX - CLASS A & B (DETAIL) (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512					2
	0		0	0	
6561			408,438		3
6562					4
6563					5
6564					6
6565					7
			408,438		

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to Department of Justice and telephone relay assessments.

Description (a)	This Year (b)	
Gross Operating Revenues	1,500,610	1
Plus: Collection of amounts previously written off	2,733	2
Less: Uncollectibles written off during the year	3,042	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	1,500,301	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	565,774	1
Plus: Total Intrastate Access Revenues (5084)	340,885	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	906,659	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	1,500,610	1
Plus: Collection of amounts previously written off	2,733	2
Less: Uncollectibles written off during the year	3,042	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	1,500,301	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	565,774	1
Plus: Total Intrastate Access Revenues (5084)	340,885	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	906,659	

OTHER INCOME ACCOUNTS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*			1
Return from Nonregulated Use of Regulated Facilities (7130)*			2
Gains and (Losses) from Foreign Exchange (7140)			3
Gains or (Losses) from the Disposition of Land and Artworks (7150)			4
Other Operating Gains and (Losses) (7160)*			5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	0	0	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(4,382)	(4,580)	6
Operating Federal Income Taxes (7220)*	23,468	16,582	7
Operating State and Local Income Taxes (7230)*	5,367	4,112	8
Operating Other Taxes (7240)*	88,275	86,258	9
Provision for Deferred Operating Income Taxes--Net (7250)*	1,482	1,026	10
TOTAL OPERATING TAXES (7200)*	114,210	103,398	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*			11
Interest Income (7320)*	11,372	10,328	12
Income from Sinking and Other Funds (7330)*			13
Allowance for Funds Used During Construction (7340)*			14
Gains or (Losses) from the Disposition of Certain Property (7350)*			15
Other Nonoperating Income (7360)*	284,618	381,231	16
Special Charges (7370)*	(10,058)	(4,244)	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	306,048	395,803	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*			18
Nonoperating Federal Income Taxes (7420)*	51,672	164,225	19
Nonoperating State and Local Income Taxes (7430)*	14,332	43,858	20
Nonoperating Other Taxes (7440)*			21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	(17,772)	1,437	22
TOTAL NONOPERATING TAXES (7400)*	48,232	209,520	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	135,234	129,493	23
Interest Expense--Capital Leases (7520)*			24
Amortization of Debt Issuance Expense (7530)*	47	47	25
Other Interest Deductions (7540)*	373	12,909	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	135,654	142,449	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*			27
Extraordinary Income Credits (7610)			28
Extraordinary Income Charges (7620)			29
Current Income Tax Effect of Extraordinary Items--Net (7630)			30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)			31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	51,200	13,254	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	380,265	1
Less: Cost of Goods Sold		2
Net Sales	380,265	3
Expenses (Acct. 7990.2)	329,065	4
Nonregulated Net Income	51,200	5

List the type of nonregulated activities that company is involved in:

SALE, REPAIR AND INSTALLATION OF NONREGULATED TELEPHONE EQUIPMENT
 PROVIDING INTERNET SERVICE
 PUBLIC PAYPHONE SERVICE

If the revenues from an individual nonregulated activity represent in excess of 5% of the total operating revenues for the company, please provide the amounts, as requested above, for that individual activity:

TELEPHONE EQUIPMENT SALES REVENUE		
GROSS SALES		204,882
LESS: COST OF GOODS SOLD		
NET SALES		204,882
EXPENSES		157,025
TELEPHONE EQUIPMENT SALES NET INCOME	47,857	
CELLULAR EQUIPMENT SALES REVENUE		
GROSS SALES		81,055
LESS: COST OF GOODS SOLD		
NET SALES		81,055
EXPENSES		50,002
CELLULAR EQUIPMENT SALES NET INCOME	31,053	

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense	30,402	2
Plant Accounts	38,647	3
Accumulated Depreciation Accounts		4
All Other Accounts	361,772	5
Total Salaries and Wages	430,821	6 G

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	1.00	1.00	46,569	1
Supervision and Other Management	1.00	1.00	82,166	2
Other Employees	10.00	12.00	302,086	3
Total	12.00	14.00	430,821	

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	1.00	1.00	46,569	1
Supervision and Other Management	1.00	1.00	82,166	2
Other Employees	10.00	12.00	302,086	3
Total	12.00	14.00	430,821	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange			1
Extended Area Service			2
Extended Community Calling			3
Other Local-Undefined			4 H
Total Local	0	0	
TOLL			
Operator Handled: State--intraLATA			5
Operator Handled: State--interLATA			6
Operator Handled: Interstate			7
Customer Dialed: State--intraLATA			8
Customer Dialed: State--interLATA			9
Customer Dialed: Interstate			10
WATS			11
Other Toll-Undefined	53	610	12 I
Total Toll	53	610	
Total Local & Toll	53	610	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	1				1
Feature Group A -- Term.					2
Feature Group B -- Orig.					3
Feature Group B -- Term.					4
Feature Group C -- Orig.			1,336		5
Feature Group C -- Term.			1,175		6
Feature Group D -- Orig.	1,206	699	171		7
Feature Group D -- Term.	2,396	1,095			8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	479	2
Sheath miles of plant - fiber optics	21	3
Strand miles of plant - fiber optics	367	4
Route miles of plant - microwave		5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	2	6	1
56 kbps	26	0	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	6	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	479	2
Sheath miles of plant - fiber optics	21	3
Strand miles of plant - fiber optics	367	4
Route miles of plant - microwave		5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	2	6	1
56 kbps	26	0	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	6	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	179	184	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks			6
Centrex Trunks			7
Centrex Lines	36	52	8
Key System Trunks	2	2	9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)			11
FX-Out (Switched)	1	1	12
Pay Telephone		8	13
Coin-Operated Pay Telephone	0		14
Independent Pay Telephone Provider	0		15
Pay Stations - Public	6		16
- Semi-Public	2		17
- Cust. Owned			18
Other			19
Total Business Lines	226	247	20
Residential (Incl. Emp. Concess.)			
1 Party	1,647	1,755	22
2 Party			23
4 Party			24
FX-Out (Switched)			25
Other			26
Total Residential Lines	1,647	1,755	27
Total Bus & Res Lines	1,873	2,002	28
Company Used Lines	36	37	29
Total Lines Used	1,909	2,039	30

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS			3
WATS Lines - 800 Service			4
FX-In-intraLATA			5
Special Access-intraLATA			6
(expressed in equiv. access lines)	6	6	7
Special Access-interLATA			8
(expressed in equiv. access lines)	267	172	9
Feature Group A Lines	82	96	10
Feature Group B Trunks			11
Feature Group C Trunks			12
Feature Group D Trunks	96	106	13
TSPS - Trunks	7	7	14
EAS - Trunks	178	192	15
Cellular Trunks (Pub. Sw. Net.)			16
Video Distance Learning			17
- discounted (special tariff)			18
Customers			
Business - 2 Party Customers			19
Business - 4 Party Customers			20
Residential - 2 Party Customers			21
Residential - 4 Party Customers			22
Other			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical location of plant)			24
	4,928,763	5,157,241	25
Total Company Square Miles	88	88	26
Total Company Route Miles	466	479	27
Footnotes			28
			29
			30

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0010				1
Business					2
1 Party	184				3
2 Party					4
4 Party					5
PBX Trunks/System Trunks					6
Centrex Trunks	---CONF---				7
Centrex Lines	52				8
Key System Trunks	2				9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)	1				12
Pay Telephone	8				13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider					15
Pay Stations - Public					16
- Semi-Public					17
- Cust. Owned					18
Other					19
Total Business Lines	247	0	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	1,755				22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
Total Residential Lines	1,755	0	0	0	27
Total Bus & Res Lines	2,002	0	0	0	28
Company Used Lines	37				29
Total Lines Used	2,039	0	0	0	30

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0010				1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)	6				7
Special Access-interLATA					8
(equiv. access lines)	172				9
Feature Group A Lines	96				10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks	106				13
TSPS - Trunks	7				14
EAS - Trunks	192				15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	5,157,241				27
Exchange Square Miles	88				28
Exchange Route Miles	479				29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

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CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	ABRAMS				1
PSCW Exchange ID	0010				2
Central Office Name	ABRAMS				3
PSCW Central Office ID	1				4
Manufacturer of COE (Page 54)	NTI				5
Year COE Installed	1984				6
Type of Equipment (Page 54)	D				7
(S)tandalone, (H)ost, (R)emote	H				8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID	0				10
COE Generic Software Release No.	410.10				11
SS7?	Yes				12
9-1-1?	Yes				13
Access Lines - In Use	2,038				14
- Equipped	2,343				15
- Wired	3,056				16
Trunks - In Use	329				17
- Equipped	456				18
- Wired	576				19
ISDN Available?	No				20
ISDN Lines - In Use (BRI)	0				21
- In Use (PRI)	0				22
Switched 56 Service?	No				23
Switched 56 lines in use	0				24
Digital Transmission Facilities: DS-1 - In Use	15				25
DS-3 - In Use	0				26
Advanced Data Service Available:					
Packet Switching?	No				27
SMDS?	No				28
Frame Relay?	No				29
ATM (Asynchronous Trans. Mode)?	No				30
Video Information - Service Available?	No				31
- In Use (# lines) ¹	0				32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	68				33
No. of fiber strands working (LIT) in C.O.	20				34
No. of fiber strands for interoffice use	62				35
Miles of fiber sheath in wire center	21				36
Access Tandem Serving this C.O.:					
- C.O. Name	GREEN BAY				37
- PSCW C.O. ID	2160-01				38
Does this C.O. do access tandem switching?	No				39
Equal Access: InterLATA (1+)?	Yes				40
Equal Access: IntraLATA (1+)?	Yes				41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**General Footnote**

October 26, 1999

Mr. Roger L. Hermsen, Vice President
Bayland Telephone, Inc.
2710 U.S. Highway 41/141
Abrams, WI 54101-9711

Re: 1998 Analytical Review DWCCA-390-PJL

Dear Mr. Hermsen:

The Public Service Commission (PSC) is in the process of completing an analytical review of your utility's 1998 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1. On copy 1 of page 15 you report docket numbers 0387-NC-100 and 7147-TI-100 as the affiliated interest docket numbers associated with affiliated activity between Bayland Telephone Inc. and Bayland Communications, Inc. (BAYCOM), and the telephone company and Baynet, Inc. (BAYNET), respectively. Please note that although the numbers shown are Commission docket numbers, these docket numbers do not represent affiliated interest docket numbers, typically such numbers follow an XXXX-AT-000XXX format. Please confirm that the reported docket numbers should be removed from copy 1 of page 15.
2. Based on the affiliated assets and liabilities amounts shown on copy 1 of page 16, please confirm that copy 1 of page 15 reflects 1998 affiliated activity as required by the Affiliated Interest Transactions schedule.
3. On copy 1 of page 18, a note receivable from BAYCOM in the amount of \$204,510 is reported at December 31, 1998. The Commissions Case Management System does not show any affiliated interest agreement on file between the telephone company and BAYCOM. The filing of an affiliated interest agreement with the Commission for transactions with an affiliate where the activity level exceeds \$25,000 or five percent of the equity of the telephone company, whichever is smaller, is required within 30 days of the agreement becoming effective. Please state when such affiliated agreement will be filed with the Commission. Also please state if copy 1 of page 15 reflects affiliated activity (e.g., interest income) associated with the note. If not, provide necessary revisions to copy 1 of page 15.
4. Staff review of page 47 reveals that information related to telephone calls and minutes of use per month are not provided with a footnote stating "Information not available".

Your attention is drawn to the instructions for filing this data shown in

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

the Commission staff e-mail dated November 19, 1998, concerning the 1998 report and the schedule reference sheet for page 47, Telephone Calls and Minutes of Use Per Month, in the 1998 Operations Manual. Even though the Commission is not requiring your company to furnish this data for the 1998 annual report due to time constraints, all efforts should be made to provide this information for the 1999 annual report due April 1, 2000. In cases where actual data cannot be made available for the 1999 report, estimated number of calls and minutes of use per month may be provided. Non availability of this information should be documented in a footnote that states clearly the reason(s) as to why it is not available and outlines the actions taken by the company to obtain such information (such as the results of discussions with switch vendors and the cost associated with adding this feature to the switching equipment or software).

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 267-9198. Please respond within 30 days of this letter. If we have no questions regarding your response, you can consider the review closed.

Please note that if your

Schedule Footnotes

Cover Page Footnote. Page 1

Schedule Line Footnotes

- A) PAGE 40 - MISCELLANEOUS REVENUE INCREASED DUE AN INCREASE IN BILLING SERVICE CHARGES.
- B) PAGE 40 - UNCOLLECTIBLE REVENUE DECREASED DUE TO THE FACT THAT 1997 WAS AN UNUSUAL YEAR IN THAT THE COMPANY WROTE OFF MORE OLD ACCOUNTS THAN USUAL.
- C) PAGE 41 - NETWORK OPERATIONS EXPENSE INCREASED DUE TO AN INCREASE IN THE AMOUNT OF TIME SPENT IN PLANT OPERATIONS BY THE PLANT MANAGER.
- D) PAGE 41 - MARKETING EXPENSE DECREASED DUE TO A REALLOCATION OF ADVERTISING TO NONREGULATED ACTIVITY AND 1997 HAD NEW LOGO AND IMAGE DESIGN COSTS.
- E) PAGE 41 - PURSUANT TO AGREEMENT WITH PSCW STAFF, EXPENSE MATRIX SUBSIDIARY RECORD CATEGORY DETAIL IS NOT REQUIRED FOR THE 1998 ANNUAL REPORT. THE TOTAL AMOUNT FOR EACH ITEM IS INCLUDED IN THE OTHER COLUMN IN ORDER TO FACILITATE THE SUMMATION FUNCTION IN THE PROGRAM.
- F) PAGE 15 - PURSUANT TO AGREEMENT WITH PSCW STAFF, REVENUE, EXPENSE AND OTHER DETAIL AMOUNTS ARE NOT REQUIRED FOR THE 1998 ANNUAL REPORT. THE TOTAL AMOUNT FOR EACH COLUMN IS INCLUDED ON THE ALL OTHER LINE IN ORDER TO FACILITATE THE SUMMATION FUNCTION IN THE PROGRAM.
- G) PAGE 46 - THE REGULATED EXPENSE AMOUNT FOR SALARIES AND WAGES IS LISTED ON THE ALL OTHER ACCOUNTS LINE.
- H) PAGE 47 - THIS INFORMATION IS NOT AVAILABLE.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- I) PAGE 47 - PURSUANT TO AGREEMENT WITH PSCW STAFF, TOLL TELEPHONE CALLS AND MINUTES OF USE PER MONTH DETAIL IS NOT REQUIRED FOR THE 1998 ANNUAI REPORT. THE TOTAL TOLL AMOUNT FOR EACH ITEM IS INCLUDED ON THE OTHER TOLL - UNDEFINED LINE IN ORDER TO FACILITATE THE SUMMATION FUNCTION IN THE PROGRAM.
- J) THE PURPOSE OF THIS LOAN IS CONSTRUCTION.
- K) Per 11/24/99 correspondence from Dennis Hildebrandt, the docket numbers on copy 1 of page 15 should be removed. At this time the electronic system will not accept that change.